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Attorneys for KNICKERBOCKER FINE ARTS LTD.

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re:

SALANDER-O'REILLY GALLERIES, LLC

Chapter 11

Case No.: 07-30005 (CGM)

Debtor.

-----X

**NOTICE OF ART CLAIM PURSUANT TO PROTOCOL AND  
COURT ORDER DATED MARCH 11, 2008**

PLEASE TAKE NOTICE, that KNICKERBOCKER FINE ARTS LTD ("Knickerbocker") hereby asserts a claim to the artwork listed on the attached Art Claim Form, pursuant to the Protocol ordered by the Court on March 11, 2008 ("Protocol"). In support of its Art Claim, the following documents are attached: Knickerbocker's Art Claim Form for the painting by John Singleton Copley entitled "Portrait of Mrs. Thomas Cranston"; Correspondence from Salander-O'Reilly Galleries, LLC ("Debtor") to Knickerbocker, dated June 23, 2005; Wire transfer instructions from Debtor to Knickerbocker, dated June 23, 2005; Correspondence from Knickerbocker to Bank of America, dated June 29, 2005; Wire Transfer receipt from Bank of America, dated June 29, 2005 in the amount of Four Hundred Thousand (\$400,000) Dollars; Correspondence from Debtor to Knickerbocker, dated September 21, 2006; Correspondence from Debtor to Knickerbocker, dated February 9, 2007.

Dated: Bay Shore, New York  
June 10, 2008

LONG, TUMINELLO, BESSO,  
SELIGMAN & WERNER, LLP

By: S  
HAROLD SELIGMAN (HS2024)

Attorneys for  
KNICKERBOCKER FINE ARTS LTD.  
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Bay Shore, New York 11706  
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UNITED STATES DISTRICT COURT  
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Chapter 11

Case No.: 07-30005 (CGM)

**ART CLAIM BY KNICKERBOCKER FINE ARTS LTD.**

**Information About Art Claimant**

Art Claimant's Name: Knickerbocker Fine Arts Ltd.

Art Claimant's Address: 51 Wheatley Road  
Old Westbury, New York 11568

Art Claimant's phone number: (212) 935-8484

Art Claimant's email address: hweingrow@medistechnologies.com

Agent or Representative's Name: Harold Seligman, Esq.

Agent or Representative's Address: Long, Tuminello, Besso, Seligman & Werner, LLP  
120 Fourth Avenue  
Bay Shore, New York 11706

Agent or Representative's phone number (631) 666-5766

Agent or Representative's email address HSeligman@msn.com

The Art Claimant is a purchaser.

**Information About Artwork**

ID Number of Artwork from Inventory List: 5161

Name of Artwork: John Singleton Copley, *Portrait of Mrs. Thomas Cranston*, 1914  
Oil on Canvas, 49 ¾ X 40

Estimated Value of Artwork: \$2,000,000 - \$3,000,000

**Describe in Detail the Factual Basis for Your Art Claim**

The above-reference Art Claimant remitted payment in the sum of Four Hundred Thousand Dollars (\$400,000) to Salander-O'Reilly Galleries, LLC on June 29, 2005 as and for a fifty (50%) percent share in John Marin, *Autumn Landscape*, 1914, signed L.R. and dated, 22 x 28 in. (See annexed correspondence and wire transfer instructions from Debtor to the Art Claimant, dated June 23, 2005 and Bank of America wire transfer receipt dated June 29, 2005 annexed hereto) Thereafter, Salander-O'Reilly Galleries notified the Art Claimant that it had sold the John Marin, *Autumn Landscape*, 1914, signed L.R. and dated, 22 x 28 in. and, in exchange, received certain monies as well as the John Singleton Copley's *Portrait of Mrs. Thomas Cranston*, oil on canvas, 49 ¾ X 40 in. (See correspondence from Debtor to Art Claimant dated September 21, 2006 and February 9, 2007 annexed hereto) **Thus, the above-referenced Art Claimant possesses a fifty (50%) percent interest in the John Singleton Copley's *Portrait of Mrs. Thomas Cranston*, oil on canvas, 49 ¾ X 40 in.**

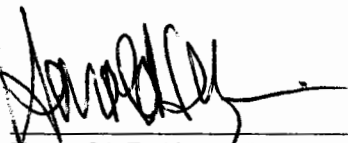
**Security Interest**

Is the Artwork subject to a security interest? \_\_\_yes Xno

**PLEASE READ THE FOLLOWING BEFORE SIGNING  
YOUR ART CLAIM FORM**

**By signing this Art Claim Form, you make the following certifications under penalty of perjury pursuant to 28 U.S.C. § 1746:**

- “I have been provided with a copy of the Protocol, and the exhibits thereto.”
- “I have the full power and authority to make this Art Claim.”
- “I am making this Art Claim under penalty of perjury pursuant to 28 U.S.C. § 1746.”



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**HAROLD SELIGMAN, ESQ.**  
LONG, TUMINELLO, BESSO,  
SELIGMAN & WERNER, LLP  
Attorneys for Claimant,  
KNICKERBOCKER FINE ARTS LTD.  
120 Fourth Avenue  
Bay Shore, New York 11706  
(631) 666-5766

**Salander-O'Reilly Galleries, LLC**

20 East 79 Street New York, NY 10021 Tel (212) 879-6606 Fax 212 744 0655

June 23, 2005

Howard Weingrow  
Knickerbocker Fine Arts  
805 Third Avenue, 15<sup>th</sup> floor  
New York, NY 10022

Partnership:

This is to confirm that we have agreed to pay \$800,000 or \$400,000 each for John Marin's great painting "Autumn Landscape" 1914, signed L.R. and dated, 22 x 28 in. We have sold the painting for \$1,650,000 payable on or before January 15, 2006. Your share of the proceeds of \$825,000 will be paid to you on or before January 31, 2006.

Thank you very much,

A handwritten signature in black ink, appearing to be 'Lawrence Salander', written over a horizontal line.

Lawrence Salander

**Salander-O'Reilly Galleries, LLC**

20 East 79 Street New York, NY 10021 Tel (212) 879-6606 Fax 212 744 0655

June 23, 2005

Howard Weingrow  
Kinckerbocker Fine Arts  
805 Third Avenue  
15<sup>th</sup> Floor  
New York, NY 10022

John Marin  
*Autumn Landscape*  
1914  
oil on canvas  
signed and dated l.r. 1914

Cost for 1/2 share: \$400,000 (Four hundred thousand dollars)

Balance Due: \$400,000 (Four hundred thousand dollars)

**WIRE TRANSFER INSTRUCTIONS FOR SALANDER-O'REILLY LLC  
FIRST REPUBLIC BANK NEW YORK**

*Account Name* - Salander-O'Reilly LLC  
*Account Number* - 971000-62540  
*Bank* - First Republic Bank  
1230 Sixth Avenue  
New York, NY 10021  
*Bank Contact* Lisa Reardon  
Phone 212-259-3616  
*ABA* - 321081669

KNICKERBOCKER FINE ARTS, LTD.  
805 THIRD AVENUE  
NEW YORK, NEW YORK 10022

June 29, 2005

Bank of America  
1633 Broadway, 29<sup>th</sup> floor  
New York, NY 10019  
Attn: Christine Payne  
Private Clients Group

Via fax # (212) 909-8552

Dear Christine,

Please wire transfer \$400,000.00 from Knickerbocker's account #94156-90948 today as follows:

Receiving Bank: First Republic Bank  
1230 Sixth Avenue  
New York, NY 10021

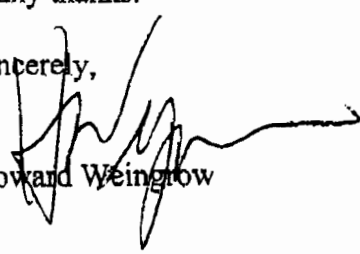
ABA: 321081669

Account #: 971000-62540  
FBO: Salander -O'Reilly LLC

Bank contact: Lisa Reardon (phone #212 259-3616)

Many thanks.

Sincerely,

  
Howard Weingrow

**Bank of America**



PAGE 1 OF 1  
BANK OF AMERICA, N.A.  
WIRE TRANSFER ADVICE  
1 FLEET WAY  
SCRANTON, PA  
PA6-580-04-05  
18507

KNICKERBOCKER FINE ARTS LTD  
C/O STANOFF CORP  
805 THIRD AVE 15TH FL  
NEW YORK NY 10022

DATE: 06/29/05  
DIRECT INQUIRIES TO:  
800.729.9473 OPTION 2  
ACCOUNT: 009415690948

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THE FOLLOWING WIRE WAS DEBITED TODAY:

USD AMOUNT \$400,000.00

TRANSACTION REF: 2005062900096233  
RELATED REF: 05062900050006  
ORIGINATOR: KNICKERBOCKER FINE ARTS LTD  
BENEFICIARY: SALANDER-O'REILLY LLC  
BENEFICIARY'S BANK: FIRST REPUBLIC BANK

SERVICE REF: 001063  
IMAD: 20050629B6B7HUIR001063  
ID:  
ID: 971000-62540  
ID: NCX:321081669

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SALANDER-O'REILLY GALLERIES, LLC

22 East 71 Street New York, NY 10021 Telephone 212-879-6606 FAX 212-400-4490

September 21, 2006

Howard Weingrow  
Knickerbocker Fine Arts  
805 Third Avenue  
15<sup>th</sup> Floor  
New York NY 10022

BY FAX AND BY HAND

Dear Howard,

As per our conversation please be advised of a revision of the transaction regarding the John Marin painting *Autumn Landscape*, 1914. The transaction has been closed and should read as follows:

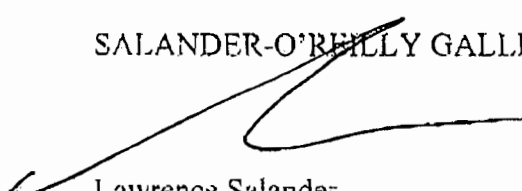
Sold John Marin *Autumn Landscape*, 1914 for \$750,000.00, plus the  
Painting by John Singleton Copley *Portrait of Mrs Thomas Cranston*, oil  
On canvas, 49 ¾ by 40 inches.

You have already received your half of cash proceeds of \$375,000.00. As the original cost of the Marin was \$800,000.00 (\$400,000.00 each) the exchange leaves us a gross cost basis of \$50,000.00 for the Copley, or \$25,000.00 each.

Thanks Howard—this is a really good one.

Best,

SALANDER-O'REILLY GALLERIES



Lawrence Salander

SALANDER-O'REILLY GALLERIES, LLC

22 East 71 Street New York, NY 10021 Telephone 212-879-6606 FAX 212-400-4490

February 9, 2007

Howard Weingrow  
Knickerbocker Fine Arts  
805 Third Avenue  
15<sup>th</sup> Floor  
New York, NY 10022

Dear Howard -

This is to confirm that \$400,000 was received on June 29th, 2005 as payment by Knickerbocker in full for a 50% share in John Singleton Copley's *Portrait of Mrs. Thomas Cranston*, oil on canvas, 49 3/4 x 40 inches

In addition, this is to confirm the receipt of \$325,000 which represents payment in full for a 50% share in the following two pieces:

1. Maurice Prendergast  
*The Harbor*  
1916  
oil on canvas  
23 5/8 x 29 1/2 inches
2. Arthur B. Davies  
*Italian Landscape*  
Oil on canvas  
26 1/8 x 40 1/8 inches

Sincerely,



Larry Salander

## Certificate of Service

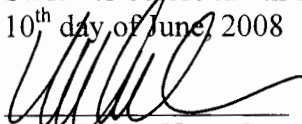
I hereby certify that on June 10, 2008, the ART CLAIMS FORM of KNICKERBOCKER FINE ARTS LTD. was served, via UPS Overnight Mail, in accordance with the Federal Rules of Civil Procedure and/or the Eastern District's Local Rules and/or the Southern District's Rules on Electronic Service upon the following parties and participants:

**Robert Raicht, Esq.**  
**Halperin Battaglia Raicht LLP**  
**555 Madison Avenue, 9<sup>th</sup> Floor**  
**New York, New York 10002**

LONG, TUMINELLO, BESSO,  
SELIGMAN & WERNER, LLP

By:   
STEPHANE MCCALL

Sworn to before me this  
10<sup>th</sup> day of June, 2008

  
NOTARY PUBLIC

**MICHELLE AULIVOLA**  
**Notary Public, State of New York**  
**No. 02AU6124695**  
**Qualified in Suffolk County**  
**Commission Expires March 28, 2009**